

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS  
November 16, 2006

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors met on Thursday, November 16, 2006, at 1:00 P.M. in the 12<sup>th</sup> Floor Training Room, Parkway Towers, Nashville, Tennessee.

The following members were present: Robyn Askew, Gerald Reed for Riley Darnell, Peter Abernathy for Dave Goetz, Winston Henning, Loretta Jercinovich, Gerald Konohia, Eddie Latimer (Chair), Ann Butterworth for John Morgan, Alvin Nance, Ralph Perrey, Tim Pettus, Brad Rainey, Janice Cunningham for Dale Sims, and Carl Tindell.

Tim Bolding and Janice McNeely were absent.

Chairman Latimer called the meeting to order and opened the floor for public comment. There were no public comments.

The first item on the agenda was approval of the September 21, 2006, meeting minutes. Ms. Miller noted that errors were found in the minutes included in the mailout and the revised minutes, to be approved, were included in the blue packet. Corrections were made to reflect Mr. Perrey's attendance and to correct the description of the Emergency Repair Program. Upon motion by Ms. Askew, seconded by Mr. Perrey, the minutes were approved as amended.

Chairman Latimer stated Sharon Reynolds resigned from the Board effective November 1, 2006. He then said that Bob Cooper was appointed Attorney General thereby creating another vacancy on the Board.

Chairman Latimer asked Ted Fellman, Executive Director, to recognize staff. Mr. Fellman recognized Linda Haugk, Field Representative in the Cookeville field office for the Section 8 Rental Assistance division, for 5 years of service. Ms. Haugk was unable to attend. He then presented service awards to the following staff: Ann Salyers, Assistant Controller, for 15 years of service; Vickie George, Homebuyer Education Coordinator for the Community Programs Division, for 30 years of service and Deborah Sanders, Executive Legal Assistant for the Executive Division, also for 30 years of service. Chairman Latimer presented Ms. George and Ms. Sanders with 30 year service plaques signed by Governor Bredesen.

Mr. Fellman invited all members to attend the Agency's Holiday Luncheon on December 6, 2006 at the Maxwell House. He asked board members to let Pat Smith, Director of Public Affairs, know of their interest in attending.

Chairman Latimer said the Monthly Report was the next item on the agenda. Mr. Fellman referenced the report provided in the Board packet and encouraged each member to look at the information included in the report.

Next on the agenda was the election of Vice-Chairman for the Board of Directors. Upon motion by Mr. Rainey, seconded by Mr. Pettus, the Board elected Mr. Nance to serve as Vice-Chairman of the Board.

Next on the Agenda was the report of the Audit & Budget Committee. Chairman Latimer said the Committee discussed Committee activities in relation to Audit & Budget Committee Charter requirements. The list of activities already being performed and their relationship to the Charter are shown on a chart prepared by Ron Erickson, Director of Internal Audit, which is included in the Board packet. Mr. Latimer said the Committee will discuss these activities further at the January meeting.

Next on the agenda was the report of the Policy and Programs Committee. Mr. Rainey said the first item was approval of the 2007 Multi-Family Bond Authority Program Description, which is included in the Board packet. The Committee recommended approval of the following: An allocation of \$150,000,000 as the total amount of multifamily tax-exempt bond authority for 2007 and a 15% increase in per unit limits and per development limits due to increases in construction, labor, and material costs. Mr. Rainey said increasing the limits is consistent with the Low Income Housing Tax Credit Qualified Allocation Plan for 2007 (the "2007 QAP"), that was approved at the September Board meeting. The Committee also recommended expanding the definition of substantial renovation to be consistent with the 2007 QAP. Upon motion by Mr. Rainey, seconded by Mr. Perrey, the 2007 Multi-Family Bond Authority Program Description was approved as recommended by the Committee.

Mr. Rainey reported that the Committee also began discussion of various federal requirements for the Low Income Housing Tax Credit program and how they are currently being addressed. He said the Committee intends to review the direction set in the Strategic Plan against the current low income housing tax credit program and try to design a program that produces the results that the Board desires.

Next item was a request for relief from a tax credit developer who has four developments that are behind schedule and will not meet lease up deadlines due to issues with certain utilities to be installed by the local government. Mr. Rainey said the developments received low income housing tax credits in prior years. Since the issues described by the developer were out of the developer's control, and with the concessions offered by the developer, the Committee recommended amending the 2006 Low Income Housing Tax Credit Qualified Allocation Plan using the language drafted by Ed Yandell, Director of Multifamily, to allow a developer to exchange prior tax credits for 2006 tax credits. As a result of exchanging tax credits, the time periods to complete the leasing of the developments will be extended. Mr. Rainey said that in exchange for this authorization and based upon the offer of this developer, the developer will lose the developer's fee, be barred from competing in the 2007 and 2008 low income housing tax credit application cycles, extend the period of time that all the units will be guaranteed to be reserved for low income households for an additional 5 years, and commit to have all units fully leased no later than December 31, 2007. Upon motion by Mr. Rainey, seconded by Mr. Perrey, the amendment of the 2006 QAP was approved.

Next on the agenda was the report of the Grants Committee. Ms. Askew referenced a memo from Coralee Holloway, Director of Community Programs, dated November 7, 2006, regarding 2007 HOME program changes. The following changes proposed by staff are recommended by the Committee: Increasing the per county maximum from \$500,000 to \$700,000, with a maximum grant per applicant of \$500,000 and a minimum award of \$250,000; eliminating the 10 points currently awarded for Innovation; adding up to 10 points to applications from communities participating in the Department of Economic & Community Developments Three-Star Program with a housing component; reinstituting leverage as a separate category and awarding up to 10 points to proposals that leverage other funds; increasing the maximum soft costs for inspections and work write-ups to 7% of the hard costs, not to exceed \$2,100.

The Committee also recommended adding a category with up to 10 points for proposals that include energy conservation measures that exceed the requirements for local codes or the International code, as applicable.

Staff also recommended for the 2007 HOME program that CHDOs in the four local participating jurisdictions with a CHDO set-aside of less than \$100,000 be eligible to apply under the THDA HOME Program. This would allow CHDOs in Clarksville, Jackson, Knox County, and Shelby County to apply for 2007 HOME funds. The Committee concurred in the staff recommendation and further recommended that CHDOs in these four local participating jurisdictions be limited to a maximum possible HOME award of \$500,000, including HOME funding from THDA and from the local participating jurisdiction.

Upon motion by Ms. Askew, seconded by Mr. Reed, the 2007 HOME Program Description, as described and recommended by the Committee, was approved.

The next item was a report on THDA Grant Program Beneficiaries. Ms. Askew referenced the report included in the Board packet and noted that a change has been made on page 25 of the report and the website would be updated to show the correction.

The next item was an update on the Emergency Repair Program. Ms. Askew referenced a memo from Ms. Holloway, dated November 7, 2006, included in the Board packet. She said a lot of interest has been shown in the program and it will begin January 2007.

The next item was a discussion of the Housing Trust Fund. Ms. Askew said staff will generate a set of guidelines, have them published, and set a deadline for applications. The Committee will revisit this at the next Board meeting.

The final item on the agenda was Other Matters. Mary McLennan, Director of Research, Planning, & Technical Services, reported on the THDA Strategic Plan. Ms. McLennan referenced the final draft of the THDA Strategic Plan, included in the blue folders and gave a brief overview. Mr. Fellman said the Strategic Plan would help THDA be more proactive and staff is working on making the plan a reality.

Ms. Miller noted that the mission statement was adopted by the Board at the September meeting. She said the vision statement was also adopted with verbal revisions; however, the draft Strategic Plan includes the written revisions to the vision statement. Ms. Miller said the values statement was also revised to address language concerns and both the vision statement and values statement need to be considered for approval.

Upon motion by Ms. Askew, seconded by Ms. Butterworth, the Strategic Plan, including the revised vision and value statements, was approved.

The next item was plans for the May Board meeting to be held in Memphis, TN. Mr. Fellman said the hotel has been reserved for May 16<sup>th</sup>. The plan is for members to arrive around noon on the 16<sup>th</sup>, take a tour to see how THDA resources have been used in the Memphis area, have dinner that night and have the regular scheduled meeting on Thursday, May 17<sup>th</sup>.

The next item was a report on the Building Blocks event for the Nashville Area Chapter Habitat for Humanity and Whirlpool. Mr. Fellman reported that 10 homes were built in the Providence Park area in 5 days. Two THDA staff members, Steve Lamb, Chief of

Default/Investor Relations, and Toni Shaw, Community Projects Coordinator, worked the whole week. Mr. Fellman asked Ms. Shaw to report on her experience. Ms. Shaw said there were over 300 volunteers; 100 from Nashville, 100 from Whirlpool plants, and 100 from Habitat affiliates. She said this will be an annual event, but Nashville was the first chapter selected to participate. She said to see everyone come together to build these homes was amazing.

With no further business to come before the Board, the meeting adjourned.

Respectfully submitted,

Ted R. Fellman  
Executive Director

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